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August 12, 2002

TO: Each Supervisor

FROM: Thomas L. Garthwaite, MD
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SUBJECT: **PUBLIC COMMENT ON DHS REDESIGN -- SUMMARY**

This is to transmit the attached summary of comments received from the 30-day public comment period on the DHS redesign. A total of 61 comments were received. Where appropriate, DHS responses have been incorporated.

If you have any questions or need additional information, please let me know or you staff my contact Jonathan Freedman at (213) 240-8371.

TLG:jf

Attachment

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICES

REDESIGN REPORT

PUBLIC COMMENT SUMMARY
August 12, 2002

The Department of Health Services (DHS) received a total of sixty-two written comments from three academic institutions, four city governments, ten coalitions, 20 individuals, and 24 organizations. Commenters responded to the overall impact of County DHS' Redesign Report as well as specific components of the plan such as the consolidation and restructuring of clinical resources, and provided recommendations for efficiencies, revenue generation, and alternative approaches to the proposed redesign of the healthcare system in Los Angeles.

Below is a summary of comments and DHS responses, where appropriate.

1. GENERAL COMMENTS

Several commenters provided input on the general concept of the DHS Redesign Report and its impact.

Eleven commenters recognized the fiscal issues affecting DHS and the need for examining the DHS service delivery system.

Fifteen commenters expressed support of DHS efforts to create a balanced health care system inclusive of public and private sector providers.

One organization indicated that the Redesign Report gives virtually no attention to revenue generation – either within the system itself or through additional taxation or fees.

One commenter objected to the use of the term, "redesign" for the mixture of very positive proposals for improvements in technology and performance management with the slashing and cutting of clinics and hospital services.

One commenter stated that the proposed system reforms do not reflect the recently published Institute of Medicine report regarding racial and ethnic disparities.

One commenter expressed concern that the proposal will make it more difficult for homeless persons and their families to take care of their health needs, especially accessing specialty care and the requirement of having a medical card to participate in the County Health Benefits Program.

One commenter submitted an alternative plan for redesigning DHS based on performance-based competition among facilities, accountability for quality and costs,

and a redesign of graduate medical education to meet the needs of the modern medical workplace. Funding for this new system would come in the form of a two-year extension of the 1115 Waiver at the FY 2000 level with continued bridge funds from CMS, contingent on the achievement of specific milestones marking the transition to the new system outlined in the proposal.

One commenter requested that DHS interview patients prior to the Beilenson hearings about their use of the system, how far they already have to travel, and their knowledge of how they would get health care if their health center and/or hospital health system closed or changed its mission prior to the Beilenson hearings.

One commenter submitted a report on the impact of clinic closures and data on current capacity of SPA 2 hospital emergency rooms, and expressed concern that the two remaining County health centers and reduced Public Private Partnership (PPP) Program will be challenged to absorb the patients from the clinics that will be closed.

One commenter expressed concern that the DHS Redesign Proposal includes a series of radical changes to the existing capacity with little evidence offered as to the effectiveness within communities of comparable size and complexities.

One commenter expressed disappointment regarding the overall process by which DHS has solicited public input as well as concerns about the proposal such as the proposal does not take into consideration trends within the healthcare market place which will have a direct impact on all County residents.

Several commenters indicated the need for more information regarding the proposed redesign of DHS, including:

- Background information on facilities slated for closure, including services provided at these facilities. Preventive care services, urgent care services, and other health services that will continue to be provided.

  DHS Response. This information is contained in the Beilenson notice, and in a service matrix provided to the Planning Advisory Group. This information is available on the DHS website www.ladhs.org/planning.

- An impact study of proposed service reductions on patient care, public health, private providers, emergency departments, and the regional economy. The impact of proposed redesign on diagnostic related group.

  DHS Response. Pursuant to the Board's action of June 26, 2002, DHS is working with the National Health Foundation and the Healthcare Association of Southern California to update the LA Model, a statistical program which forecasts inpatient, outpatient, and emergency care demand and supply in the public and private sectors.

- The consolidation of obstetrics.

  DHS Response. The January 2002 DHS Strategic and Operational Plan identified obstetric services as a potential area for consolidation. It is under consideration in the inpatient configuration operational planning resulting from Scenarios II and III presented in the June DHS Redesign Report.

- DHS' planning assumptions and community resources.

  DHS Response. The June DHS Redesign Report outlines the planning assumptions used in developing the redesign scenarios. They include assumptions related to the DHS fiscal forecast and financial modeling of the scenarios, geography, and factors related to the service population around DHS facilities and the availability of private sector resources.

- Waiting time for routine primary care appointments, specialty care, urgent and emergency care.

  DHS Response. DHS is generating waiting time information.

- Written policies and procedures for the transfer of patients and medical records, and closure notices and letters give to patients.

  DHS Response. Attachment VI of the March 7, 2002 DHS report to the Board contains procedures for the health center closures. The report is available on the DHS website www.ladhs.org/planning. To date, English and Spanish announcements have been posted in affected DHS facilities and patients have received written notification of the closure and a list of the closest facilities. Additionally, DHS Health Line (800-427-8700) staff have received a list of closing clinics and their closure dates with instructions to obtain the ZIP code of the caller and refer to the nearest open facility.

- Marketing efforts to attract more insured patients, increased efficiency studies.

  DHS Response. This issue is under consideration in the Finance Oversight Advisory Group, a committee comprised of DHS, stakeholders, and individuals exploring revenue generation ideas and alternatives.

One commenter indicated that before Beilenson hearings various types of information should be provided including: provider/patient ratios, projected layoffs by classification and proposed staffing changes, position classifications at County facilities, number of patients currently being seen and the projected number of patients, the skill mix at the remaining County facilities, interpretive services at all County facilities, the availability of alternate health services in the areas where DHS services are proposed to be curtailed, information on patients treated, the number of patients that registered, were treated, were turned away, and the reasons for not being seen by facility, the number of patients

seen per service, current average response time of an ambulance when called from each County facility, the number of complaints filed at each facility, an updated list of network providers, their services, and hours of operations, including the PASC/SEIU 434B Community Health Plan and an assessment of the viability of the Community Health Plan as outlined in the June 26, 2002 report to the Board of Supervisors.

DHS Response: In addition to the Belienson notices, DHS has provided financial, workload, and private provider information regarding the facilities affected in the DHS Redesign Report which can be obtained on the DHS website www.ladhs.org/planning. Information about affected employees will be available after the workforce reduction process is completed.

One commenter indicated the need for information on projections by payer as part of revenue and service level projections, what the savings include and what percentage of the savings is attributed to the reduction of services, operating expenses and personnel versus inflation, the net impact of the loss of the Upper Payment Limits, comparison of cost-effectiveness of reductions and impact of staffing ratio or level of care, average cost per patient day, average outpatient visit, emergency room visits before and after reductions, ratio of beds per 100,000 population, patient/physician, patient/nurse ratio for both inpatient and outpatient.

DHS Response: In addition to the Belienson notices, DHS has provided financial, workload, and private provider information regarding the facilities affected in the DHS Redesign Report which can be obtained on the DHS website www.ladhs.org/planning.

One commenter requested that DHS keep open the public comment period until the public has an opportunity to review the requested information

Four commenters called upon the Board of Supervisors to withhold implementation of clinic and hospital closures and reduction in services until DHS provides the requested information, spends more time evaluating proposed revenue solutions and the develops a new plan that can achieve the range of system improvements and efficiencies without reductions in essential services; yields a better health return; and achieves a long term stable financing.

One commenter recommends the Board of Supervisors to fully restore the $56.8 million it cut from DHS' 2002-03 proposed budget before the Beilenson hearings are held.

One commenter suggested that the Department examine Maryland's model of funding indigent care through contributions from the private sector, Arizona's and Texas' responses to undocumented patients requiring health care, Orange County's model of health care, and the use of the media to generate the public's interest in this situation.

One commenter recommended that DHS explore other models of services delivery such as the Alameda County system.

One commenter wrote that while recognizing the enormity of the fiscal challenges facing DHS and the burden of the uninsured and low-income populations, the further closing of clinics, and hospital shutdowns, and curtailing already overburdened emergency medical and trauma services will not meet the needs of the residents of the County. Additionally, while it is important to obtain Federal and State and local funding to reduce the fiscal deficit, County also must consider increasing its fiscal and policy support of DHS.

One commenter wrote that Long Beach should have a participatory role in the evaluation of policy options, and any change in the character of services currently provided in Long Beach should involve their representatives.

One commenter requested that DHS withdraw the 1115 Waiver Modification Proposal to the State and Federal government in order for community stakeholders to help fashion a request for the remaining years of the waiver and beyond.

Three commenters stated that any renegotiation of the Waiver must include goals consistent with ambulatory care expansion.

One commenter stated that a full public debate must be initiated around the 1115 Medicaid Waiver Modification Proposal and the proposed County Health Plan Benefit Program.

2. AMBULATORY CARE/PUBLIC-PRIVATE PARTNERSHIP PROGRAM

Nineteen commenters expressed concern about the proposed reduction or closure of primary care clinics.

Thirteen commenters believe that closing clinics would eliminate patients' ability to receive health services since many do not have any means of transportation and/or income to travel to other facilities, which will result in medical emergencies and/or inappropriate use of emergency rooms.

One commenter expressed concern for the success of LA Access if DHS facilities are closed and the PPP Program is reduced.

One submission included a petition with 208 signatures, requesting that DHS not close clinics.

One commenter expressed that it is imperative to dispel the misstatement that ambulatory care under the 1115 Waiver was a failure and supports DHS' efforts with the State and Federal government to change the way in which inpatient care is reimbursed.

One commenter indicated that few County workers are adequately trained to provide the follow-up and case management services that many individuals and families will need in order to be utilize the services available to them.

DHS Response – County DHS recognizes the important role of ambulatory care in a balanced system of care, and the contribution of the PPP Program. The DHS Redesign Report and the 1115 Waiver Modification Proposal outlines DHS' plan to move toward a system that has greater clinical integration and more systematic planning to achieve a balanced health care system.

3. RECONFIGURATION OF CLINICAL SERVICES

DHS received twenty-five comments regarding its recommendations for the reconfiguration of clinical services such as the centralization of high-end tertiary services, the closure of health centers, and the closure and/or conversion of services at Harbor/UCLA Medical Center, King/Drew Medical Center, and High Desert Hospital.

Commenters expressed concern that the proposed reforms will exacerbate the existing emergency room crisis, reduce the capacity of the County to provide primary care and further decrease the quality of care by making needed care more catastrophic and episodic.

Eight commenters responded to the centralization of tertiary services. Three indicated support for centralization, two expressed concern that centralization of tertiary services would only create greater demands on a hospital that is already at full capacity, and others expressed caution or opposition to centralization.

Harbor/UCLA Medical Center

Seven commenters responded specifically to proposed changes to Harbor/UCLA Medical Center. Many commenters listed impacts, including:

- The dismantling of one of the most important and most cost-effective hospitals in the DHS system.
- The elimination of the only Level I Trauma Center in the entire South Bay region of the County.
- The resulting phase down, or out, of nationally regarded physician training.
- Less care due to fewer or no fellows, residents, and interns, thus requiring larger numbers of regular physicians.
- Fewer trainees resulting in fewer physicians settling in this area.
- A possible end or reduction in teaching and research activities.

- Loss of life-saving services.
- Loss of expected services that is the norm in non-County health system.
- The loss of millions of research dollars.
- Loss of vital services to the community.
- The loss of an immense amount of uncompensated care.
- The inability of the region to respond to an emergency of any magnitude.

Three commenters specifically requested that Harbor/UCLA Medical Center remain open as a full service tertiary hospital with Level I Trauma and Emergency care.

High Desert Hospital

Fourteen commenters responded to the recommendation to convert High Desert Hospital (HDH) to an ambulatory care center, with most urging DHS to keep the hospital open.

One commenter stated that the closure of high HDH will result in de facto discrimination against people with disabilities living in the high desert area of Los Angeles County.

Two commenters expressed concern about the future of the Regional TB Detention Center at HDH.

One commenter implored DHS to allow the High Desert Hospital Advisory Committee sufficient time to develop and implement a plan to increase revenue and decrease costs.

Olive View/UCLA Medical Center

Three commenters responded to the impact of reconfiguration of Olive View.

One commenter stated that it is important that DHS maintain mental health services.

Another commenter expressed that it is not wise to reconfigure Olive View because it is situated in a unique geographic location serving one-third of Los Angeles County.

Rancho Los Amigos Medical Center

One commenter responded to the recommendation to establish a health authority at Rancho Los Amigos, and questioned the logic for giving up revenues generated by Rancho.

STD and TB Clinics

One commenter suggested that DHS designate one STD clinic in the San Fernando Valley area to deliver services, and indicated that personal health care facilities should not run TB clinics. Instead these patients should be referred to DHS.

4. MEDICAL SCHOOLS AND TRAINING PROGRAMS

Six commenters expressed concerns about the DHS relationship with the medical schools.

Two commenters stated that given the shortage of ethnic physicians in California, it is imperative that Drew University of Medicine and Science and its affiliated hospital be given the necessary resources to continue to carry out its mission to train a culturally competent workforce and to provide service to its community.

One commenter stated consolidating the medical schools will cause gross inefficiencies and thus much higher costs, conflicts over patient care, and ambiguity of responsibility and leadership.

One commenter recommended that DHS pursue additional federal funding in partnership with the medical schools as was done in New York to underwrite the high costs of medical education.

One commenter recommended the development of a planning group among the three academic institutions and at least one DHS representative to examine the feasibility and appropriateness of coordinating rather than consolidating certain academic functions.

One commenter stressed the importance of a collaborative relationship in determining and implementing DHS operational changes.

5. REVENUE GENERATING SUGGESTIONS

One commenter stated that DHS has not done enough to generate revenue and has not considered several viable income options provided over the last two months by advocates, providers, and community members, including several proposals that would allow High Desert to remain open.

Other commenters provided several revenue-generating suggestions for consideration to address the fiscal deficits, including:

- Charging patients for STD and TB clinic visits and medications.
- Levying fines against restaurants that violate health department regulations.

- Forming a foundation, similar to Riverside County Health System, for fund-raising.

- Expanding relationships with insurers so that covered individuals can use the system.

- Make services such as clinical laboratory testing available to third parties at reasonable prices.

- Establish taxes or fees dedicated solely for the public hospital system.

- Pursue Breast and Cervical Cancer Screening Program and Family PACT revenues.

- Factor in the recent Proposition 10 Committee's "Healthy Kids" initiative.

- Pursue AB 495 funding opportunities that could complement the Proposition 10 program to serve 6-18 year olds.

- Factor in parental coverage under Healthy Families.

- Use pharmacy purchasing pools.

- Improve billing practices.

- Increase the General Fund contribution for health care.

- Levy a parcel tax.

- Allocate tobacco settlement reserves to the public health care infrastructure.

- Require all those enrolled in Medi-Cal by County or community enrollment workers to be locked into receiving care through the PPP or County system for one year.

DHS Response. Many of these issues are under consideration in the Finance Oversight Advisory Group, a committee comprised of DHS and external individuals exploring revenue generation ideas and alternatives.

6. DHS EMPLOYEES

Three commenters expressed concern regarding the plan's impact on staff morale and County DHS' ability to maintain highly skilled and motivated County DHS employees and physicians.

One commenter contends that under both Scenario II and III the quality of service will be negatively impacted by the reduction of FTEs, thereby potentially resulting in longer wait times and delays in follow-up care.

One individual suggested that DHS allow managers to give performance bonuses from 3% to 5% of employees' salaries in order to keep skilled employees.

One commenter asked what DHS is doing to negotiate early retirement packages for those older employees.

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